

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on March 24, 1999 at 8:00 A.M., in Room 312-2 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Tom A. Beck (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Clayton Schenck, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 2 Sections A, B, and C,
3/22/1999

Executive Action:

Sponsor : REP. TOM ZOOK, HD 3, MILES CITY

REP. ZOOK advised HB 2 was approved by the House Appropriations Committee appropriating \$4,900,000,000.00, however the full House floor approved amendments increasing the bill by \$300,000.00.

Clayton Schenck explained the format and narratives of each section and advised the total increase to General Fund in HB 2 was 1.62% biannually.

All page references are from the blue copy of HB 2.

HB 2 SECTION A

Motion: SEN. LYNCH moved SECTION A.

Discussion:

REP. LILA TAYLOR, HD 5, BUSBY, CHAIRWOMAN of the Subcommittee on General Government and Transportation gave an overview of the General Government and Transportation budget as follows: the total changes to Section A budgets adopted by the House was a reduction from the executive request of \$3,900,000.00 in General Fund and \$12,500,000.00 in total funds, however because of HB 72, the Guaranteed Annual Benefit Adjustment (GABA) bill, the General Fund reduction was only \$2,600,000.00. The fixed costs rates affected all state budgets and reflect rental rates and services by state departments. There was a 12% reduction for travel and subscriptions across the board.

REP. TAYLOR read page A-1, **Legislative Branch** summary.

SEN. LYNCH asked if NCSL or NCSG was in affect, REP. TAYLOR advised there was certain amount of money for NCSL added, however it was not fully funded. SEN. BECK advised NCSG was short about \$16,000.00. SEN LYNCH asked if NCSL was fully funded with dues, Bob Pierson, Legislative Services Division, advised it was fully funded.

REP. TAYLOR advised the **Consumer Council** Executive budget was approved expect for the 12% travel reduction.{Tape : 1; Side : A; Approx. Time Counter : 8:17}

REP. TAYLOR read page A-12 and A-13, **Judiciary** budget summary.

REP. TAYLOR advised the subcommittee adopted the **MT. Chiropractic Legal Panel** budget as proposed.

REP. TAYLOR read page A-26 the **Governors Office** budget summary.

REP. TAYLOR advised the **Secretary of States' Office** is not funded by the General Fund. The office is financed by fees charged to customers and the House approved the rate schedule proposed.

REP. TAYLOR read A-40 **Commissioner of Political Practice** Executive Budget. **REP. TAYLOR** advised the Commissioner's Office was exempt from the travel reduction because of their budget items totaled less than \$1,000.00 annually. The legal fees were for a right to life case.

REP. TAYLOR read page A-43, the **State Auditor's** budget.

SEN. KEATING had a question in regards to the structure of the bill on page A-5 and wanted to know if all the changes were for travel. **Jim Turner**, Legislative Fiscal Division, advised in some cases that would be the reason. **SEN. KEATING** wanted to know if there was something in the narrative to explain the differences in each section. **Mr. Turner** advised the charts on the top of each departments section showed a comparison.

REP. TAYLOR reviewed page A-51, **Department of Transportation's** budget, for the committee. **REP. TAYLOR** advised several of the changes to the budget are in response to the revised Federal Funding program, **T-21**.

SEN. BECK asked if there were any amendments by the House to this section. **REP. TAYLOR** advised there were 7 FTE's removed were the positions had been vacant for an extended period of time.

REP. TAYLOR read A-76, Executive Budget Comparison for the **Department of Revenue**.

SEN. WATERMAN asked if the FTE for the Department of Transportation was reduced on the floor and why it was not reflected in the department summary. **Mr. Turner** advised the FTE reduction was a language amendment and was in the narrative.

SEN. KEATING asked how much money was being allocated for the reappraisal of property. **REP. TAYLOR** advised she was unsure.

REP. TAYLOR advised this was the most difficult budget to address by the committee, and read A-87 and A-88, the **Department of Administration** budget summary. *{Tape : 1; Side : A; Approx. Time Counter : 8:38}*

SEN. JERGESON asked if the FTE in the **Tax Appeal Board** was for a board member or staff. **REP. TAYLOR** replied the reduction was a secretary position.

REP. TAYLOR advised the House approved a budget for the **Appellate Defender's Office** for \$6410.00 below the executive and the major reduction was less money appropriated for expert witnesses for a death sentence case.

CHAIRMAN SWYSGOOD allowed each agency director to respond to their approved budget.

The **Legislative Branch** director had no comment.

The **Consumer Counsel** director had no comment.

Pat Chenovick, Administrator for the **Department of Justice** advised he had two concerns: the 12% travel reduction and the vacancy savings of 3%. **Mr. Chenovick** advised the reduction in travel not only effected Justices but also citizens that sat on advisory councils. **Mr. Chenovick** was concerned people would not want to run for the positions if they would not get reimbursed for travel. **Mr. Chenovick** noted they requested extra money for travel to train newly elected judges. **Mr. Chenovick** stated because his department is largely elected offices the forced vacancy saving would be hard on the remaining staff and felt the numbers were skewed because of the elected offices.

The **MT. Chiropractic Legal Division** had no comment.

Judy Browning, Governor's Office, requested the 12% travel be addressed.

The **Secretary of State's** office had no comment.

The **Commissioner of Political Practices** had no comment.

John Huth, Administrator for the **State Auditor's Department**, asked for the 12% travel reduction to be reviewed. *{Tape : 1; Side : B; Approx. Time Counter : 0}*

Jim Currie, **Department of Transportation**, advised the department's budget is driven by the new Federal Funds program, T-21. **Mr. Currie** advised his concerns would be addressed through amendments.

Mary Bryson, **Department of Revenue**, requested the 12% travel reduction be reviewed. **Ms. Bryson** advised **SEN. KEATING** in 1997

SB 195 put off reappraisal of property until 2007, so the Department of Revenue budget is allocated for appraisal of new construction and the FTE has also been reduced by 33.

Lois Menzies, Department of Administration, thanked the subcommittee for their hard work. **Ms. Menzies** felt the reduction to **MT PRIME** was too deep and the department would not be able to carry the program during the interim. **Ms. Menzies** asked for reconsideration on the technology issues.

SEN. KEATING asked what the source of **State Special Revenue** for the department was. **Ms. Menzies** responded 92% of the budget was proprietary and the state special revenue bulk was with the architect and engineering division.

The **Appellate Defender Commission** had no comment.

The was no public testimony.

AMENDMENTS:

SEN. MOHL moved **HB000250.atp** restoring the 12% travel reductions to all agencies effected.

SEN. TAYLOR asked what would happen to the Special Education appropriation it was designed to fund if the 12% was reverted back.

CHAIRMAN SWYSGOOD advised it would not effect the appropriation.

Clayton Schenck asked for latitude to make any changes necessary to the amendment to bring it in line with the intent to restore the 12% travel reduction to all budgets. **CHAIRMAN SWYSGOOD** agreed.

Vote: Motion **AMENDMENT HB 000250.ATP EXHIBIT(fcs66a01)** carried 15-3 with Keenan, Taylor, and Miller voting no.

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000242.ASC EXHIBIT(fcs66a02)** BE ADOPTED.

Discussion:

Skip Culver, Fiscal Division, explained the amendment.

SEN. BECK asked if this was \$150,000.00 over the biennium.

CHAIRMAN SWYSGOOD advised the money is already in the budget, the language was a one time restriction and this makes it permanent.

REP. TAYLOR stated it was designed as a one-time only appropriation so there would be a chance to review the program, and she noted there were disagreements between the citizen review board and the foster care review board and the subcommittee felt this would entice them to work together.

SEN. KEATING advised this money would not be added to the base budget next biennium and felt the one time only language should be removed, **REP. TAYLOR** agreed and added the was what the committee wanted one time only.

SEN. KEATING asked if the Federal money was a one time appropriation, **REP. TAYLOR** advised it was not, the intention of the committee was to make it that way and instead they made the state money one time only.

CHAIRMAN SWYSGOOD stated the money is in the budget the amendment only strikes the one time only language.

Vote: Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 9:00}

Motion: **SEN. LYNCH** moved **AMENDMENT HB000246.acs**
EXHIBIT (fcs66a03).

Discussion:

SEN. LYNCH advised the governor asked for 1 FTE and the House cut the addition, this amendment adds.05 FTE for the Clerk of Court.

SEN. LYNCH stated there have been no additions to the staff since 1983 and the case load is ever increasing.

SEN. SHEA advised the original request was for 2 FTE.

SEN. TAYLOR resisted the amendment and advised the subcommittee has reviewed the staff and felt there was adequate personal.

SEN. FRANKLIN stated they had two 1/2 employees job sharing and felt if there was 1 person working full time there would be a better savings.

Vote: Motion failed 7-11 with Christiaens, Franklin, Jergeson, Lynch, Nelson, Shea, and Waterman voting aye.

Motion: **SEN. TAYLOR** moved that **AMENDMENT HB000212.AJT BE ADOPTED**
EXHIBIT (fcs66a04).

SEN. TAYLOR read the explanation on the amendment.

Vote: Motion carried 14-4 with Christiaens, Shea, Jergeson, Lynch voting no.

Motion/Vote: SEN. TAYLOR moved that **AMENDMENT HB000245.AGD EXHIBIT(fcs66a05)** BE ADOPTED. Motion carried unanimously.

Motion: SEN. MESAROS moved that **AMENDMENT HB000241.AGD EXHIBIT(fcs66a06)** BE ADOPTED.

Discussion:

SEN. MESAROS advised this was being done because of other legislation pending that would drastically increase this.

REP. TAYLOR was very surprised by the amendment. The subcommittee worked hard to increase the money for noxious weeds. **SEN. TAYLOR** felt the weed issue was very important and the program should be adequately funded. The Department of Transportation has since found money they could shift to adequately fund the program.

SEN. JERGESON thought this amendment relates to **SB 164** and that bill was not passed.

CHAIRMAN SWYSGOOD advised it was not contingent on **SB 164**. This amendment reversed the action by the subcommittee to take money from the Highway Department and place it in the weed fund.

SEN. KEATING wanted to know where the money would be reflected after it was reverted. **Greg DeWitt** stated it would revert to the fund balance and reduces the appropriation by \$500,000.00. **SEN. KEATING** asked if they were just removing spending authority. **Mr. DeWitt** advised that was correct.

SEN. WATERMAN stated by removing the spending authority from the fund if **SB 164** did not pass there would be no funding and she could not support the amendment.

CHAIRMAN SWYSGOOD advised there was \$1,900,000.00 spent by the Department of Transportation on noxious weeds. This money was an increase to that budget. **SB 164** does not have anything to do with this amendment.

SEN. WATERMAN asked **REP. TAYLOR** to address the need the subcommittee felt. **REP. TAYLOR** advised the subcommittee felt there should be more money allocated to fight noxious weeds.

SEN. MESAROS noted this money was an addition to the money already spent. The amendment was offered because of a concern he had for sufficient dollars to match **T-21**.

SEN. KEATING asked if there was money not reflected in the base for weeds. **REP. TAYLOR** advised there was another \$800,000.00 per year. *{Tape : 1; Side : B; Approx. Time Counter : 9:17}*

SEN. JERGESON advised the senate Agriculture committee explained another bill that was killed and he resisted the amendment.

Vote: Motion carried 12-6 with **Christiaens, Franklin, Jergeson, Nelson, Shea, and Waterman** voting no.

Motion/Vote: **SEN. KEATING** moved that **AMENDMENT HB000242.AGD EXHIBIT(fcs66a07)** BE ADOPTED. **REP. TAYLOR** agreed with the amendment. Motion carried unanimously.

Motion/Vote: **SEN. TAYLOR** moved that **AMENDMENT HB000244.AGD EXHIBIT(fcs66a08)** BE ADOPTED. **REP. TAYLOR** advised the positions were pulled but the money was left. Motion carried 14-4 with **Christiaens, Franklin, Toews, and Miller** voting no.

Motion: **SEN. LYNCH** moved that **AMENDMENT HB000240.ARL** BE ADOPTED **EXHIBIT(fcs66a09)**.

Discussion:

SEN. LYNCH advised this was a technical amendment. **Clayton Schenck** explained the items regarding travel reduction would be struck. **Taryn Purdy** explained the amendments.

SEN. CHRISTIAENS wanted a further explanation on number four, the Rainy Day fund. He felt that should not be reduced. **Ms. Purdy** advised the fund was not being reduced, the language was being changed to coincide with changes already made by the Legislature.

Vote: Motion carried unanimously.
{Tape : 2; Side : A; Approx. Time Counter : 9:29}

Motion: **SEN. WATERMAN** moved that **AMENDMENT HB000217.AJT EXHIBIT(fcs66a10)** BE ADOPTED.

Discussion:

SEN. WATERMAN explained the amendment.

Dave Lewis, Budget Office, advised the proposal was in the executive budget and felt this was a good idea that many private sectors are initiating. **Mr. Lewis** advised the parents would pay the ongoing cost.

REP. TAYLOR advised the subcommittee deleted this item. There were several letters and calls from state employees who do not live in Helena and they wanted to know what type of facility they would receive.

SEN. TAYLOR felt this was in competition the private sector. **Mr. Lewis** advised there would be a **RFP** to select the provider. Both non profit and profit providers could apply. There would be a free will offering by the departments and the ongoing costs would be provided by the parents.

SEN. TOEWS asked why they could not do this without the amendment. **Mr. Lewis** advised the approval was needed.

SEN. LYNCH asked about the employees located out of Helena. **Mr. Lewis** agreed and stated this was a pilot project that could be used anywhere.

SEN. MESAROS advised the committee agreed with **SEN. LYNCH**, once you start where do you stop.

SEN. MILLER stated both women and men would use the daycare and he felt productivity would increase.

SEN. WATERMAN advised the school closure allows the department a facility without a large cost.

Vote: Motion carried 11-7 with Swysgood, Mesaros, Mohl, Toews, Nelson, Keenan, and Keating voting no.

Motion/Vote: **SEN. LYNCH** moved **SECTION A BE CLOSED**. Motion carried unanimously. {Tape : 2; Side : A; Approx. Time Counter : 9:38}

CHAIRMAN SWYSGOOD called a recess until 10:00 am.

HEARING ON SECTION B

Motion/Vote: SEN. LYNCH moved SECTION B BE OPEN. Motion carried unanimously. {Tape : 3; Side : A; Approx. Time Counter : 0}

REP. KASTEN read page B-1 and explained how pages B-2 and B-3 worked. REP. KASTEN stated there was a \$31,000,000.00 increase probably due to the salary increases for direct care workers.

REP. KASTEN referred to page B-7 and stated there was a cap on the Medicaid Benefits and once the cap was reached benefits would be reduced. The subcommittee worked hard to stay within the cap.

SEN. KEATING asked if the table on B-7 was a mix of General Fund and Federal. REP. KASTEN advised it was a mix of General Fund and State Special. SEN. KEATING asked if the assumed counties were the nine mill levies totaling \$7,500,000.00 and the \$8,000,000.00. REP. KASTEN advised it was \$7,978,376.00. SEN. KEATING asked how much General Fund went to the counties in addition to what they spent. REP. KASTEN did not know specifically, however she knew it was an amount over what they turned in. Galatin has also become an assumed county. SEN. KEATING stated the assumed counties were in control of the spending but the state provided the money. The non assumed counties operate within the same rules the assumed counties operated under. SEN. KEATING wanted a table of the assumed counties and non assumed counties, the money each spent, and state match. REP. KASTEN advised she would provide that.

SEN. WATERMAN referred to the language on B-15 requiring a study on the issue as it was a serious and needed to be addressed.

REP. KASTEN informed the committee HB 676 will also address the problem.

SEN. CHRISTIAENS wanted to know where the money being saved from the Foster Care revision went. REP. KASTEN advised that would be covered later.

REP. KASTEN advised the department was reorganizing to form two committees: Human and Community Service Division and Child and Family Service Division.

REP. KASTEN read page B-8.

HUMAN AND COMMUNITY SERVICES DIVISION

REP. KASTEN reviewed page B-10, maintenance of effort money.

REP. KASTEN referred to items DP 16, Temporary Assistance for Needy Family reductions and DP 11, Maintenance of Effort money.
{Tape : 3; Side : A; Approx. Time Counter :10:20}

CHILD AND FAMILY SERVICES DIVISION

REP. KASTEN advised there were 3500 Foster Care cases and referred the committee to B-23, B-27, and B-28. REP. KASTEN advised there was an addition of \$500,000.00 of General Funds to the **Child Support Enforcement Division** because the subcommittee removed the ability to charge a fee for collection. B-30 shows the present law adjustment.

HEALTH POLICY AND SERVICES DIVISION

REP. KASTEN referred the committee to B-34 and B-35, and stated the Medicaid adjustments evened out in the end. REP. KASTEN pointed out the medicaid provider rate increase and the hospital Diagnostic Related Group (DRG) rebase.

DIVISION OF QUALITY ASSURANCE

REP. KASTEN addressed B-41: DP 2 and DP 3. The subcommittee funded the Medical Savings Account.

OPERATIONS AND TECHNOLOGY

REP. KASTEN stated MT PRIME was listed under this category and additions to the Fiscal Staff were made.

DISABILITY SERVICES DIVISION

REP. KASTEN advised this section contained **Eastmont** and **Boulder**, both use a large majority of the Medicaid budget. REP. KASTEN directed the committee to pages B-47 and B-48 and mentioned DP 2, DP 3 and DP 7. Thirty two people were being moved out of **Eastmont** and **Boulder** along with an addition to 175 people and they were being moved to community service centers.

SENIOR AND LONG TERM CARE DIVISION

REP. KASTEN advised the table on B-53 contained the services and prices. There was a nursing home community service adjustment was increased and capped at 15-17%. On page B-57 REP. KASTEN mentioned the language.

ADDICTIVE AND MENTAL HEALTH

This section contains treatment for alcohol and drugs. **REP. KASTEN** pointed out on page B-60 the programs were described.

Questions from Committee Members and Responses:

SEN. BECK had concerns with the Montana State Hospital construction delays and asked **REP. KASTEN** to explain the \$700,000.00 payment. **REP. KASTEN** stated the committee accepted the executive budget as presented. There is no additional funding to cover the cost delays. **SEN. BECK** felt there would be an adjustment needed and it could possibly be added in Free Conference.

SEN. BECK asked if the six FTE was a reduction in staff or vacancy savings. **REP. KASTEN** advised the amendment was added in the House Appropriations Committee and she understood the positions had gone unfilled for several months.

SEN. TOEWS asked why there was no funding for Galen. **REP. KASTEN** advised last session the hospital was to be closed, that has not happened and the committee felt the issue could be forced by not providing funds.

SEN. TOEWS stated on page B-38 there was \$1,000,000.00 allocated for tobacco prevention and he understood there were other bills that were using Tobacco Settlement funds to finance prevention programs. **REP. KASTEN** advised the \$1,000,000.00 increase was new federal money that had nothing to do with the Tobacco Settlement.
{Tape : 3; Side : A; Approx. Time Counter : 10:41}

SEN. CHRISTIAENS wanted an explanation of the total FTE numbers because it appeared to him the state hospital had to reduce 103 people but someone was allowed to hire 100. **REP. KASTEN** advised there was a reduction of 103 FTE from the executive request.

SEN. CHRISTIAENS disagreed and noted page B-1 did not show that. **REP. KASTEN** advised there were other FTE added to other programs.

SEN. CHRISTIAENS asked if the additional money to assist County Attorneys with the investigation of child abuse cases. **REP. KASTEN** advised it was not.

SEN. CHRISTIAENS referred to page B-61 regarding the alcohol tax distribution and asked where the money went. **REP. KASTEN** advised if there was an ending fund balance it would revert to the counties.
{Tape : 3; Side : B; Approx. Time Counter : 0}

SEN. TAYLOR wanted an update on the smart card discussed last session. **REP. KASTEN** said it is still being implemented.

SEN. WATERMAN asked for an update on the cost overrun and construction delay at the state hospital. At this time the directors of each department was allowed to address the committee.

Laurie Ekanger, Department of Public Health and Human Services, requested a change to the Child Support Enforcement Division. **Ms. Ekanger** explained the funding was tied to the number of welfare recipients. Welfare reform has been a success, therefore the funding has been reduced. The \$7.00 fee charged to the person receiving the payment was how the department offset the lost revenue. If the authorization is removed to charge fees the money will have to come from the General Fund.

Ms. Ekanger advised DPHHS and Department of Administration met last week to discuss the state hospital. There are still several issues unresolved and the general thought was the cost overrun would be close to \$1,000,000.00 and it would be at least a year before the new facility could be used.

Wally Melcher, Developmental Disabilities and Person Rehabilitation Needs, thanked the legislature for the 1% increase but did not feel it was enough. **Mr. Melcher** pointed out health insurance costs have risen 6.25%. **Mr. Melcher** handed out **EXHIBIT(fcs66a11)**.

Brian Garrity, MHAP, handed out **EXHIBIT(fcs66a12)**.

Colleen Murphy, National Association of Social Workers, handed out **EXHIBIT(fcs66a13)**, and urged the committee to increase the rate of pay for Foster Care Children. **Ms. Murphy** also handed out **EXHIBIT(fcs66a14)**.

EXECUTIVE ACTION ON HB 2

{Tape : 3; Side : B; Approx. Time Counter :10:55}

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000260.ALT EXHIBIT(fcs66a15)** BE ADOPTED.

Discussion:

REP. KASTEN advised the subcommittee voted 3-3 to not add money for subsidized adoptions. This was an amendment by **REP. COBB** utilizing money from the tribes **TANF** funds.

SEN. WATERMAN spoke against the amendment as she felt the children should be left in a permanent home if possible, but the problem is if the kids are adopted they lose Medicaid coverage.

SEN. KEENAN asked **Lois Steinbeck**, Legislative Services, to explain the money. **Ms. Steinbeck** explained there were two amendments on the House floor: one took \$500,000.00 out of program two for the **Kooteni** tribe and one was to place \$500,000.00 of General Fund into subsidized adoptions. This money would not effect the program two money, it would reduce the General Fund money placed into program two.

SEN. KEATING wanted to know how much money was left for the program. **REP. KASTEN** advised on page b-25 table six showed the amount. **SEN. KEATING** stated there would still be \$900,000.00 left. **REP. KASTEN** advised that was just General Funds. The total was \$7,200,000.00. **SEN. FRANKLIN** asked what the anticipated need was. **REP. KASTEN** referred to B-25, table six. **Chuck Hunter**, DPHHS, advised they had requested funds for 365 adoptions over the biennium. The final amount left them 60 kids short. The \$500,00.00 reduction left them 165 children short. **REP. KASTEN** advised the subcommittee gave the department what they asked for in Foster Care and they felt the subsidized adoptions could come from that budget since the regular case loads were being reduced. **CHAIRMAN SWYSGOOD** advised that was correct and felt the Foster Care case load should have decreased if the kids were being places in subsidized adoptions. **REP. KASTEN** advised \$1,100,000.00 was appropriated last session and all the money was not spent. **SEN. WATERMAN** pointed out B-24 and B25 that showed a reduction, she felt this traps kids in Foster Care. *{Tape : 3; Side : B; Approx. Time Counter :11:03}*

Vote: Motion carried 11-7 with Christiaens, Franklin, Jergeson, Lynch, Nelson, Shea, Waterman voting no.

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000262.ALT EXHIBIT(fcs66a16)** BE ADOPTED.

Discussion:

SEN. KEENAN asked **Ms. Steinbeck** to explain the amendment. **Ms. Steinbeck** read the explanation.

SEN. FRANKLIN asked why the bill was amended. **REP. KASTEN** felt **REP. COBB** wanted to insure money was available.

Vote: Motion carried 15-3 with Waterman, Franklin, and Nelson voting no.

Motion: SEN. WATERMAN moved that AMENDMENT HB000263.ALT EXHIBIT(fcs66a17) BE ADOPTED.

Discussion:

SEN. WATERMAN explained the amendment and thought it was unfair persons working at McDonald's made more money than persons caring for disabled and elderly people. SEN. WATERMAN felt abuse cases were increasing because of the turnover and care workers income.

REP. KASTEN advised the General Fund would be increased by \$3,400,000.00. CHAIRMAN SWYSGOOD spoke against the amendment because the rate increase was not within the budget.

Vote: Motion failed 7-11 with Christiaens, Franklin, Nelson, Jergeson, Shea, Waterman, and Lynch voting aye.

Motion: SEN. WATERMAN moved that AMENDMENT HB000237.ALS EXHIBIT(fcs66a18) BE ADOPTED.

Discussion:

SEN. WATERMAN stated this was a vacancy saving, however the position was recently filled. REP. KASTEN advised the position was vacant for over eight months. Denzel Davis, DPHHS, advised the position was filled 2/99 and accidentally reported as empty. CHAIRMAN SWYSGOOD asked how a position could be reported empty by mistake. Ms. Steinbeck advised sometimes the updates were not listed.

Vote: Motion failed 8-10 with Christiaens, Franklin, Jergeson, Lynch, Nelson, Beck, Shea, and Waterman voting aye.

Motion: SEN. CHRISTIAENS moved that AMENDMENT HB000238.ALS EXHIBIT(fcs66a19) BE ADOPTED.

Discussion:

SEN. CHRISTIAENS noted there was not enough ombudsman to address the areas needed. REP. KASTEN advised this would be a 80% increase for the program and was in addition to a overall budget increase. SEN. CHRISTIAENS advised this was a small step forward.

Vote: Motion failed 6-12 with Christiaens, Franklin, Shea, Jergeson, Nelson, and Lynch voting aye.

Motion: SEN. KEENAN moved that AMENDMENT HB000234.ALS EXHIBIT(fcs66a20) BE ADOPTED.

Discussion:

REP. KASTEN advised the contingency plans were taken out of the pay plan bill. This money would be State Special Revenue.

Vote: Motion carried 17-1 with Waterman voting no.

Motion/Vote: SEN. CHRISTIAENS moved AMENDMENT HB000239.ALS EXHIBIT(fcs66a21). Motion failed 7-11 with Christiaens, Franklin, Jergeson, Lynch, Waterman, Nelson, and Shea voting aye.

Motion/Vote: SEN. KEENAN moved that AMENDMENT HB000259.ALT EXHIBIT(fcs66a22) BE ADOPTED. Motion carried unanimously.

Motion: SEN. BECK moved that AMENDMENT PAGE B-6, LINES 2 THROUGH 8 EXHIBIT(fcs66a23) BE ADOPTED.

Discussion:

SEN. BECK requested Dan Anderson, DPHHS, to explain the amendment. Mr. Anderson stated the 6.5 FTE taken from the state hospital contained 3.5 FTE not included in the executive budget and they have been removed twice.

SEN. LYNCH supported this amendment. Warm Springs has been reduced by over 100 FTE and if the vacancy savings are reduced this drastically SEN. LYNCH feared agencies would not continue to properly report them.

SEN. FRANKLIN felt the people at the state hospital did a good job and the downsizes were taking into account the new facility that was not yet opened.

CHAIRMAN SWYSGOOD asked when the FTE were taken out and if at the time funding was in the budget. REP. KASTEN advised the FTE's were removed in appropriations and she felt the money was there to fund the FTE's. *{Tape : 3; Side : B; Approx. Time Counter : 11:270; Comments : The recorder malfunctioned and the tape ends.}*

SEN. BECK stated the subcommittee did not remove these FTE's.

Vote: Motion carried 16-2 with Waterman and Nelson voting no.

Motion: SEN. CHRISTIAENS moved that AMENDMENT HB000245.ATP
EXHIBIT(fcs66a24) BE ADOPTED.

Discussion:

SEN. CHRISTIAENS advised there has been no increase since 1989.
REP. KASTEN advised this would increase the budget.

Vote: Motion failed 7-11 with Christiaens, Franklin, Jergeson,
Lynch, Nelson, Shea, and Waterman voting aye.

Motion: SEN. KEENAN moved that AMENDMENT HB000257.ALT
EXHIBIT(fcs66a25) BE ADOPTED.

Discussion:

REP. KASTEN advised the language sets goals and benchmarks.

Vote: Motion carried 15-3 with Christiaens, Waterman, and
Jergeson voting no.

Motion/Vote: SEN. KEENAN moved that AMENDMENT HB000255.ALT
EXHIBIT(fcs66a26) BE ADOPTED. Motion carried 17-1 with Franklin
voting no.

Motion/Vote: SEN. KEENAN moved AMENDMENT HB000258.ALT.
EXHIBIT(fcs66a27) Motion carried 16-2 with Christiaens and
Franklin voting no.

Motion: SEN. KEENAN moved that AMENDMENT HB000254.ALT
EXHIBIT(fcs66a28) BE ADOPTED.

Discussion:

REP. KASTEN advised this was a House amendment and was designed
to lower TANF case loads and remove the tribes from the TANF
rolls.

Vote: Motion carried 12-6 with Franklin, Lynch, Toews, Miller,
Shea, and Taylor voting no.

Motion: SEN. KEENAN moved that AMENDMENT HB000261.ALT
EXHIBIT(fcs66a29) BE ADOPTED.

Discussion:

REP. KASTEN advised this amendment effects the Rainy Day fund.

SEN. WATERMAN rose against the bill and commented several people on welfare needed this money because of alcohol related problems.

REP. KASTEN advised this would be a budget increase of \$300,000.00 per year and there is already money for this program in the base budget. **SEN. BECK** asked how much was in the fund.

REP. KASTEN advised about \$8,375,000.00 but felt it was important to have a reserve in case the TANF programs did not retain the percentage of maintenance of effort money.

SEN. FRANKLIN asked **Mr. Hudson** to address the amendment. **Mr. Hudson** advised the reserve fund has never been short.

Vote: Motion carried 16-2 with Christiaens and Jergeson voting no.

Motion/Vote: **SEN. KEENAN** moved that **AMENDMENT HB000253.ALT EXHIBIT(fcs66a30)** BE ADOPTED. Motion carried 16-2 with Jergeson and Toews voting no.

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000251.ALT EXHIBIT(fcs66a31)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD felt the people using the service should be paying for the cost. There was considerable discussion between the committee as many felt the fees were wrong.

Substitute Motion/Vote: **SEN. WATERMAN** made a substitute motion a **CONCEPTUAL AMENDMENT TO REMOVE THE FEES AND ALLOW GENERAL FUND TO COVER THE SHORTAGE FOR TWO YEARS** BE ADOPTED. Substitute motion failed 7-11 with Christiaens, Franklin, Jergeson, Lynch, Nelson, Shea, and Waterman voting aye.

SEN. LYNCH felt this money was really being taken from the children.

SEN. BECK advised if the department was not collecting the support these people would not be receiving anything.

Vote: Motion failed 11-7 with Christiaens, Franklin, Jergeson, Shea, Lynch, Nelson, and Waterman voting aye.

Recess was called until 3:14.

{Tape : 4; Side : A; Approx. Time Counter : 0}

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000256.ALT EXHIBIT(fcs66a32)** BE ADOPTED.

Discussion:

SEN. LYNCH wanted to know there was a problem with the language.

REP. KASTEN felt this was not the place for the language.

Vote: Motion failed 4-14 with Waterman, Nelson, Jergeson, and Franklin voting aye.

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000235.ALS EXHIBIT(fcs66a33)** BE ADOPTED.

Discussion:

REP. KASTEN thought the amendment did just as it was intended.

SEN. CHRISTIAENS did not see transitional language in the amendment. **Mr. Anderson** stated on page B-13 of the bill, line 16 through 19.

Vote: Motion carried unanimously.

Motion: **SEN. KEENAN** moved that **AMENDMENT HB000240.ALS EXHIBIT(fcs66a34)** BE ADOPTED.

Discussion:

Mr. Anderson explained the amendment. **REP. KASTEN** asked **Ms. Steinbeck** what this does. **Ms. Steinbeck** advised it eliminates the line items separating out the conditions for mental health managed care. This would allow **SB 534** to be implemented. If the language was deleted and **SB 534** was passed there could be a problem. **REP. KASTEN** cautioned the committee about passing this. **SEN. CHRISTIAENS** stated the fee for service could not work unless there was money added. **REP. KASTEN** advised there was no intention to increase the funding, the department was directed to reduce services and live within the budget. **SEN. CHRISTIAENS** asked if the department was clear on the reduction of services. **Mr. Anderson** advised the subcommittee was aware of reduced services planned by the department. **CHAIRMAN SWYSGOOD** stated this would allow the department in the interim to return to fee for service. **Ms. Steinbeck** agreed and advised that could happen anyway depending on **SB 534**. **SEN. WATERMAN** advised the waiver would be lost if the department returned to fee for service. **SEN. WATERMAN** felt these services were very valuable.

Vote: Motion failed 2-16 with Lynch and Keenan voting aye.

Motion/Vote: **SEN. KEENAN** moved that **AMENDMENT HB000298.ALS EXHIBIT(fcs66a35)** BE ADOPTED. Motion carried unanimously.

Motion: SEN. KEENAN moved that **AMENDMENT HB000241.ALS EXHIBIT(fcs66a36)** BE ADOPTED.

Discussion:

Mr. Anderson explained the delay in construction and Montana State Hospital and because of those delays the services can not be reduced and the facility can not be relocated.

REP. KASTEN felt this should not be done at this time.

CHAIRMAN SWYSGOOD advised he agreed and that contingency General Fund amendments were not good. **CHAIRMAN SWYSGOOD** advised there would be additional money forthcoming by the changing of the effective date for the maintenance of effort money.

SEN. BECK felt it would be easier to add the money now and remove it at the Conference Committee.

Clayton Schenck, Legislative Services, advised this was a language appropriation only as the funding was not included in the totals.

SEN. JERGESON advised if need be there could be a special appropriation.

Vote: Motion failed 4-14 with Franklin, Lynch, Shea, and Beck voting aye.

Motion/Vote: SEN. WATERMAN moved that **TO RECONSIDER THE ACTION ON THE AMENDMENT TO CHARGE THE CESD \$7.00 FEE AND A SUBSTITUTE AMENDMENT EXHIBIT(fcs66a37)** BE ADOPTED. Motion failed 9-9 with Beck, Christiaens, Franklin, Jergeson, Lynch, Nelson, Shea, Mahlum, and Waterman voting aye.

Motion/Vote: SEN. LYNCH moved **SECTION B BE CLOSED**. Motion carried unanimously.

SECTION C

Motion/Vote: SEN. KEATING moved **SECTION C BE OPENED**. Motion carried unanimously.

REP. JOHN WITT read the **Fish, Wildlife, and Parks** paragraph of **EXHIBIT(fcs66a38)**. The committee had no questions.

REP. WITT read the Environmental Quality paragraph of exhibit 38.

Questions from Committee Members and Responses:

SEN. CHRISTIAENS asked why the superfund money was removed. **REP. WITT** advised the lawsuit was settled and ARCO was paying. **Roger Lloyd**, Legislative Staff, stated ARCO paid privately for the clean-up and therefore no federal funds were needed. **SEN. CHRISTIAENS** thought if the federal funds were not forfeited it may be possible to clean up more sights. **Mark Simonich**, Department of Environmental Quality advised that it was not possible to do that as the money is specifically designated for sites. **SEN. BECK** thought only half of the suit was settled. **Mr. Simonich** advised that was correct but the part that dealt with cleanup was settled. *{Tape : 4; Side : B; Approx. Time Counter : 4:02}*

REP. WITT read the **Livestock** paragraph on exhibit 38.

Questions from Committee Members and Responses:

SEN. BECK thought there was an amendment on the House floor dealing with livestock. No one could remember any action by the House.

SEN. JERGESON asked what the language on page C-49 meant. **REP. WITT** advised the language was added on the floor. **SEN. KEATING** advised the Department of Livestock was the oldest department in the state and has been self financing except for 13% of the budget. This language was to set the General Fund ratio to the lifetime percent.

REP. WITT read the **Natural Resources and Conservation** paragraph in exhibit 38.

The committee had no questions.

REP. WITT read the Agriculture paragraph of exhibit 38.

Questions from Committee Members and Responses:

CHAIRMAN SWYSGOOD advised **REP. WITT** the 12% travel reduction was the first amendment passed this morning.

REP. WITT read the **Commerce** paragraph on exhibit 35.
{Tape : 4; Side : B; Approx. Time Counter :4:20}

SEN. KEATING thought the Department of Commerce had an appropriation of \$45,000.00 for a basic industries task force study in the interim. **SEN. KEATING** wanted to know where the appropriation was listed. He thought the House had transferred that appropriation to Jobs and Income. **Greg Dewitt**, Legislative Services, advised it was removed by the appropriations committee, therefore it does not show at all.

Directors Comments:

Dave Mott, Fish, Wildlife, and Parks (**FW&P**), had no comment.

Mark Simonich, Department of Environmental Quality (**DEQ**), advised committee members had amendments for the department.

Mark Bridges, Department of Livestock, had a concern regarding the General Fund money that was removed and asked the committee to reconsider the House's actions. **SEN. BECK** asked how much was removed and by whom. **Mr. Bridges** advised \$125,000.00 was removed from the centralized services budget by the House Appropriations Committee.

SEN. WATERMAN thought there was an amendment on the House floor to replace \$100,000.00 of General Funds with State Special Revenue. **Mr. Bridges** advised the motion failed.

Bud Clinch, Department of Natural Resources and Conservation (**DNRC**), explained \$829,999.00 was removed from their forestry budget and urged the committee to reconsider the funds. **Mr. Clinch** advised the money was to replace equipment that was outdated or needed excessive maintenance. **Mr. Clinch** was also concerned with Federal funding for the forest pathologist.

Ralph Peck, Department of Agriculture, had no immediate concerns.

Peter Blouke, Department of Commerce, felt they had a fair hearing and was available for questions.

Public Comments:

REP. KIM GILLAN, HD 11, BILLINGS, asked the committee to resist any amendment by **DEQ** deleting the requirement that the next job opening be located in Billings. **REP. GILLAN** passed out **EXHIBIT(fcs66a39)**.

The committee took a break until 4:43.

Motion: SEN. MESAROS moved that **AMENDMENT HB000248.ARL EXHIBIT(fcs66a40)** BE ADOPTED.

Discussion:

REP. WITT advised the committee did not oppose the amendment, and commented the bill was amended on the floor.

SEN. MILLER asked how much of the \$208,000.00 was from the licenses for the game farms. **REP. WITT** advised \$13,000.00 was from game farm licences and the remainder was from general sportsman licenses. **SEN. MILLER** advised he would resist the amendment.

SEN. BECK stated the line item should be line 12. **Roger Lloyd** advised the amendment would make this a line item and place it after the existing line item in the bill.

SEN. KEATING commented it was the obligation of **FW&P** to do the impact study surrounding the game farm and the game farm itself was to pay for the impact statement. **SEN. KEATING** was unclear if the amendment still required that arrangement. **SEN. MESAROS** explained the past system. **SEN. KEATING** stated he wanted to know if **SEN. MILLER'S** statement was correct. **Mr. Mott**, advised the money was to fund the permitting of the game farm, however an impact statement must be prepared prior to allowing the farm to operate. **SEN. MILLER** stated if the game farm did not exist there would be no need for the statement. **SEN. MILLER** compared it to a subdivision and advised the licences should pay.

SEN. TAYLOR advised the Department of Livestock was also involved with current legislation requiring them to do the same type of study. **SEN. TAYLOR** felt this study was effecting several agencies. **SEN. MESAROS** advised it was not linked to any current legislation.

Vote: Motion carried 10-8 with Christiaens, Franklin, Jergeson, Toews, Miller, Shea, Taylor, and Waterman voting no.

Motion/Vote: SEN. KEATING moved and explained **AMENDMENT HB000238.ARL EXHIBIT(fcs66a41)** BE ADOPTED. Motion carried unanimously. {Tape : 5; Side : A; Approx. Time Counter : 4:50}

Motion: SEN. KEATING moved that **AMENDMENT HB000236.ARL EXHIBIT(fcs66a42)** BE ADOPTED.

Discussion:

SEN. KEATING advised there was a deal made in subcommittee if **DEQ** reverted money to the General Fund they would receive funding for their system.

Curt Chisholm, **DEQ**, explained the system.

SEN. TAYLOR wanted to know who developed the system and how the cost figures were determined. **Curt Chisolm** advised the work would be contracted out.

SEN. WATERMAN noted this was half of the money needed for foster care.

Vote: Motion carried 13-5 with **Christiaens, Franklin, Miller, Waterman, and Taylor** voting no.

Motion: **SEN. CRISMORE** moved that **AMENDMENT HB000249.ARL EXHIBIT (fcs66a43)** BE ADOPTED.

Discussion:

Mr. Simonich explained what the **DEQ** was responsible for in Title five, clean air act.

SEN. BECK asked if this was the employee to be located in Billings. **Mr. Simonich** advised he would resist that.

SEN. FRANKLIN resisted the amendment.

Vote: Motion carried 14-4 with **Christiaens, Franklin, Nelson, and Jergeson** voting no.

Motion: **SEN. KEATING** moved that **AMENDMENT HB000237.ARL EXHIBIT (fcs66a44)** BE ADOPTED.

Discussion:

SEN. KEATING advised there was no need for the FTE to be located in Billings and reviewed the current positions and what they do. **SEN. KEATING** commented the language that was added was open ended.

REP. WITT supported the amendment.

SEN. LYNCH stated in the past there has never been language to address hiring in **HB 2**. **CHAIRMAN SWYSGOOD** agreed it was unusual.

Vote: Motion carried 16-2 with **Waterman and Miller** voting no.

Motion: SEN. KEATING moved that **AMENDMENT HB000247.ARL**
EXHIBIT(fcs66a45) BE ADOPTED.

Discussion:

SEN. LYNCH felt there was no need to restrict the public access as there was nothing to be afraid of.

REP. WITT advised this was amended on the House floor.

Vote: Motion carried 11-7 with Christiaens, Franklin, Nelson, Jergeson, Shea, Lynch, and Keenan voting no.

Motion: SEN. JERGESON moved that **AMENDMENT HB000245.ARL**
EXHIBIT(fcs66a46) BE ADOPTED.

Discussion:

SEN. JERGESON explained the switch.

REP. WITT supported the amendment.

SEN. BECK asked if there was an amendment made to cap the fee and thought there was additional language needed to ensure the fees can be levied against the producers.

Ray Beck, DNRC, advised HB 444 set the structure for fees and it was amended to ten cents. This amendment would adjust the spending authority.

Vote: Motion carried unanimously.

Motion/Vote: SEN. BECK moved that **AMENDMENT HB000290.ATP**.
EXHIBIT(fcs66a47) BE ADOPTED. Motion carried unanimously.

Motion: SEN. CRISMORE moved that **AMENDMENT HB000242.ARL**
EXHIBIT(fcs66a48) BE ADOPTED.

Discussion:

Bud Clinch, DNRC, advised this would restore assets removed by the subcommittee. Mr. Clinch advised it would allow the department to replace vehicles. Mr. Clinch advised only \$87,000.00 was new money as the remaining was in the base budget.

REP. WITT felt the impact was too great to the General Fund, and resisted the amendment.

SEN. CRISMORE felt the money should be spent now to remove the possibility of a larger supplement later.

Vote: Motion carried 13-5 with Christiaens, Franklin, Miller, Shea, and Waterman voting no. {Tape : 5; Side : A; Approx. Time Counter : 5:15}

Motion/Vote: **SEN. CRISMORE** moved that **AMENDMENT HB000243.ARL EXHIBIT**(fcs66a49) BE ADOPTED. Motion carried 17-1 with Miller voting no.

Motion/Vote: **SEN. BECK** moved that **AMENDMENT HB000249.ATP EXHIBIT**(fcs66a50) BE ADOPTED. Motion failed 8-10 with Beck, Mesaros, Franklin, Jergeson, Lynch, Nelson, Shea, and Mahlum voting aye.

Motion: **SEN. KEATING** moved that **AMENDMENT HB000250.AGD EXHIBIT**(fcs66a51) BE ADOPTED.

Discussion:

REP. WITT had no comment on the amendment.

SEN. TAYLOR felt every department was developing economic councils and they would not resolve the problems.

Vote: Motion failed 7-11 with Crismore, Mohl, Lynch, Keating, Swysgood, Mahlum, and Shea voting aye.

Motion: **SEN. MAHLUM** moved that **AMENDMENT HB000247.AGD EXHIBIT**(fcs66a52) BE ADOPTED.

Discussion:

REP. WITT supported the amendment and felt the program worked.

Vote: Motion carried unanimously.

Motion: **SEN. LYNCH** moved that **AMENDMENT PAGE C-110 IN THE HB 2 NARRATIVE EXHIBIT**(fcs66a53). BE ADOPTED.

Discussion:

Steve Meloy, Department of Commence, advised the position was incorrectly reported as vacant.

SEN. WATERMAN pointed out the earlier motion that failed where the position was filled.

CHAIRMAN SWYSGOOD wanted to know where the funding was generated for the position. **Mr. Meloy** advised it was State Special Revenue.

Vote: Motion **carried unanimously.**

Motion/Vote: **SEN. FRANKLIN** moved **SECTION C BE CLOSED.** Motion **carried unanimously.**

ADJOURNMENT

Adjournment: 5:35 P.M.

SEN. CHUCK SWYSGOOD, Chairman

SHANNON GLEASON, Secretary

CS/SG

EXHIBIT (fcs66aad)